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MARKETING & MEDIA DECISIONS

APRIL 1987 • $4.0

CHIPPED

As Frito-Lay, Inc. has found out, a new product binge can be bad for a marketer's health. One too many entries has given the salty-snack powerhouse indigestion.

TV: NETWORK AFFILIATE FALLOUT

MAGAZINES: THE PARENT RAP

AGENCIES: MEDIA'S CREATIVE EDGE

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MARKETING & MEDIA DECISIONS

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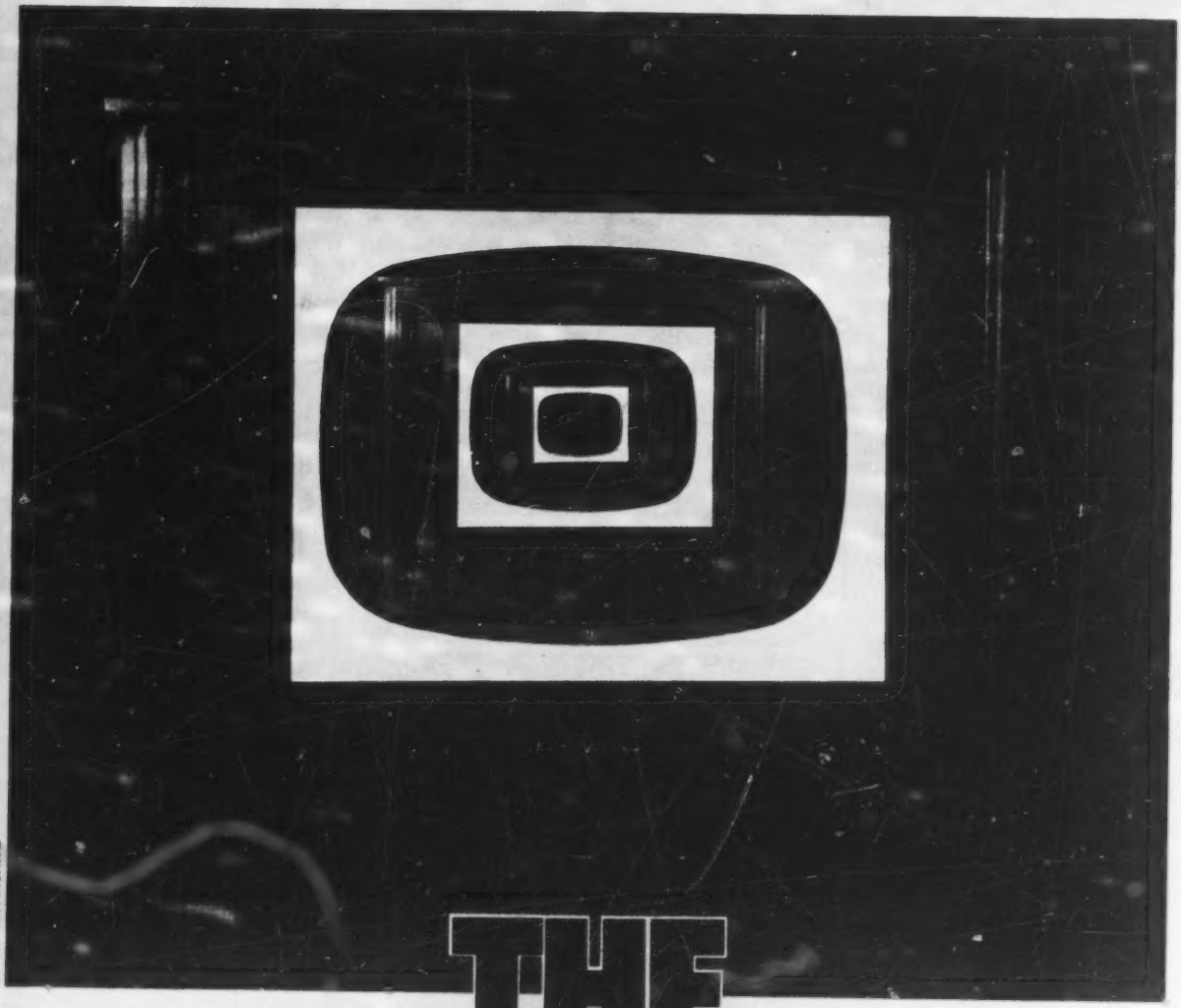
MARKETING & MEDIA DECISIONS (ISSN0195-4296) April 1987, Vol. 22, No. 4 Copyright © 1987. Decisions Publications Inc. Published monthly. Executive, editorial, circulation and advertising offices at 1140 Ave. of Americas, New York, N.Y. 10036 (212) 391-2155. Available without charge to those personally involved in media decisions at major agencies and advertiser companies. For others, subscription prices are: U.S.A. $45 for 12 issues. Canada $60. Overseas $70 (surface mail). Airmail — add $70. Single copy $4.00. All overseas copies are paid. Second-class postage paid at New York, New York, and additional mailing offices. Postmaster: Send address changes to Marketing & Media Decisions, 1140 Avenue of Americas, New York, N.Y. 10036.



BETTMANN ARCHIVE

THE SHRINKING NET

The marriage between the tv networks and their affiliates is showing signs of strain.

by Marianne Paskowski

Is the balance of power shifting away from the three television networks to the local affiliate stations? That's the question winding its way around station managers, syndicators, advertisers, agency media buyers and the Wall Street community.

What has prompted the whispering is the growing number of affiliate stations that are preempting network programing — the bedrock of the system — and airing locally produced or syndicated fare instead. "There is no question that the networks' hold over the affiliates is weakening, and that clearance problems will grow worse," predicts Dennis McAlpine, broadcast analyst at Oppenheimer & Co.

The networks are worried as well. They have seen their advertising revenues nosedive and their programing costs soar during the past few years. Clearly, they do not need the added headache of the lower ratings that result when stations cherrypick only the best shows from the network lineup. "The only thing stations gain with preemptions is money, and they sure don't help their networks," attests Tony Cervini, NBC's vice president of

affiliate relations.

The situation is somewhat of a turnaround because for most of modern television's existence the networks — or rather the New York headquarters organizations — have firmly held the reins of power. Indeed, the network concept was, and has been, that a main organization would be responsible for buying and scheduling programing, ad time and rates and that affiliated stations would carry the shows for a fee. In addition to this kind of compensation, affiliates would receive a set upon number of ad minutes to sell for themselves. Though this split of responsibilities was supposed to bind each to the other in a mutually beneficial relationship, the greater leverage always has rested with the headquarters office.

But this scenario is changing and more affiliates than ever before are pecking at the network nest. The trend by advertisers, for instance, toward regional marketing has emboldened affiliates to buy or produce more syndicated or local shows where they have more minutes to sell than allowed in network-backed programing. As a result, affiliate revenues soared last year, while the coffers at the three nets frayed thin. In 1986, local advertising jumped by 14%, while the three networks had to settle for a skimpy 3.4% rise.

Those numbers are likely to continue in local stations' favor in 1987, predict analysts and media directors. They feel that more ad dollars will find their way into sales promotion, barter syndication and cable, rather than going to traditional national network spending.

Furthermore, people-meter audience measurements, on which upfront price negotiations for the 1987-88 tv season will be based, show about a 10% decline in network prime time audiences and nearly a 20% decline in daytime audiences. This could further negatively impact network revenues if agencies can negotiate discounts.

Also chipping away at the network operational and financial base is the continuing decline in viewership. The three network's share was 95% in 1975, and has slipped to the low seventies. Picking up the slack have been independent tv, cable tv, home video and syndication shares which have all shown increases.

Responding to the new environment (and new owners-CEO's), the networks have been busy streamlining their own infrastructures. And in actions many say are penny wise and pound foolish, the networks have also been swinging the axe at affiliate budgets. One area the networks have been trying to cut back on is affiliate compensation. But sources say even if the networks cut out these payments altogether — which is not under consideration — the savings would only amount to $150 million annually.

In January, CapCities/ABC Television, which has been at the forefront of cutting affiliate compensation over the years, reduced the ante by another 9% for affiliates in the top 100 markets on sports and other special programing. For instance, none of the ABC affiliates got a dime in compensation on the recent 14-and-a-half-hour miniseries *Amerika*.

"We were losing millions of dollars on *Amerika*," explains George Newi, Capital Cities/ABC's senior vice president of affiliate relations. "For years business was good and the networks could afford to pay the stations to carry their programing. While compensation is too deeply imbedded to go away, the fact of the matter is there can be a reduction," Newi maintains.

At NBC, the compensation jiggering is more complicated. While the network actually gave its affiliates an across-the-board 3% increase in compensation, sources suggest that stations in larger markets, once all the terms of the new plan are realized, will be lucky to come out even.

CBS abandoned a proposed payment plan that would award affiliates fewer dollars for higher-rated shows like prime time fare and more cash for programs they were least likely to carry, such as the morning shows. Instead, the network decided to increase its prime time commercial inventory.

Because of those steps taken, or about to be taken, by the networks, many industry observers predict affiliates, eager to make a local sale, will increasingly preempt the network lineup. "If the networks attempt to balance their books on the backs of affiliates, they will unleash a powerful force," predicts one major market affiliate. "Preemptions will go up as affiliates grab every time period they can. The networks have taken the romance out of this marriage, telling us it's every man for himself," he states.

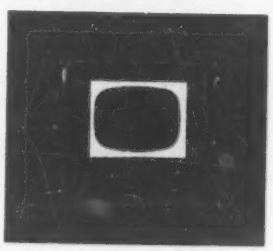
Syndicators, who have felt a slowdown in their own sales, will be more than willing to accommodate the affiliates. "If there is a time period occupied by a network program with low ratings, we will suggest that the station

The 10 Lowest Clearing Network TV Shows

Nightwatch* (CBS)	59%
Double Talk (ABC)	70%
Super Password (NBC)	72%
Rock and Wrestling (CBS)	72%
Search for Tomorrow (NBC)	73%
The Littles (ABC)	74%
Kid Video (NBC)	75%
Fame, Fortune & Romance (ABC)	78%
CBS News Breaks (CBS)	78%
Sale of the Century (NBC)	83%

Source: M&MD, DFS Dorland and Fall 1986 Nielsen Household Tracking Report

*The show clears 50% at 2:00 A.M. to 2:30 A.M. and 67% from 2:30 A.M. to 3:00 A.M.



might want to think about preempting, although we usually look at non-network areas first," tactfully explains Moira Dunlevy, vice president of research at King World Productions, syndicators of *Wheel of Fortune*, *Jeopardy* and *The Oprah Winfrey Show*.

"Stations are playing hardball, and the networks are in a much more competitive situation these days," Dunlevy continues. "The networks will buckle under to please the stations. They need those clearances," she warns.

Network clearances are beginning to worry the ad community too. At the generally staid television day held by the Association of National Advertisers, speaker Avrum Geller, Block Drug's director of marketing services, direly forewarned that there may even be more affiliate preemptions as stations grapple with the new compensation terms.

Other advertisers like Bob Bolte, vice president of media at Clorox Co., predict a snowball effect. "When network coverage levels fall, it strengthens syndication. Stations see how well *The Oprah Winfrey Show*, *Donahue* and *Divorce Court* are doing, and say, well why not," Bolte adds.

Is there truly cause for alarm? Maybe. Historically, preemptions have always been a sore point in the network/station marriage. Contractually, affiliates do not have to carry the network programs. The contract offers the affiliates the right of first refusal on programing. If stations carry the programs, they get compensated.

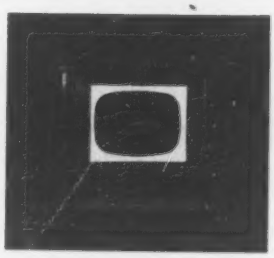
Seasonal OTO's (one time only) preemptions for local sports coverage were and are commonplace. And daytime and late night network programing *never* had full carriage to begin with.

NBC, for example, has "always been deficient in the 12:00-12:30 p.m. time period," points out Cervini. And when NBC was in third place just a few years ago, prime time preemptions were commonplace as well. "But we continue to make programing changes and improve clearances," he adds. For example, NBC recently dumped its long-running soap, *Search for Tomorrow*, which was only clearing 73% of the network, and replaced it with *Word Play*, which is doing somewhat better.

Likewise, at the other two networks, attempts to improve clearances are top priority. At ABC, the network has tried 11 different programs in its 11:00 a.m. time period over the past three years. This June, ABC will try program number 12, *Who's the Boss* reruns.

"The only thing stations gain with preemptions is money."

Tony Cervini
Vice president, affiliate relations, NBC



While the clearance problems have always been there, they may be getting a little worse. OTO's seem to be on the rise, even in prime time. Within the past year, some 70 affiliates preempted network schedules for Tribune Entertainment's Geraldo Rivera specials.

According to an analysis of the fall 1986 versus fall 1985 tv season prepared by Betsy Frank, DFS Dorland's senior vice president and associate media research director, daytime clearances are dropping further.

"There is a significant decline in coverage on ABC between 11:00 a.m. and 1:00 p.m.," she finds. "In that two-hour block the coverage has gone from 87% last fall, to 81% this fall," Frank points out. Even ABC's strongholds — the soaps — are suffering some preemption woes. *Ryan's Hope* went from 90% coverage to 85%, while *Loving* dropped from 94% to 91% in the past year.

Frank notes that stations are preempting the network run for strong syndicated shows like the courtroom programs and the high-rated *Oprah Winfrey Show*. In daytime, some of the lowest clearing programs included ABC's *Doubletalk* (70%); *Fame, Fortune and Romance* (78%); as well as NBC's *Super Password* (72%). (See chart, page 38.)

In Frank's comparison, there were no significant drops in clearances for prime time, except for slight decreases in coverage on ABC's Friday and Saturday prime time schedules and CBS' Tuesday 9:00 p.m.-to-11:00 p.m. time period. "But affiliates are less likely to preempt in the fall because programing is still new and events like the World Series and football create some atypical situations," she advises. "So outside of fall, there may be even more preemptions," she believes.

Late night is another area of difficulty for the networks. According to Frank's study, CBS' *Nightwatch*, which goes on at 2:00 a.m., was down to a 50% clearance for the first half-hour and a 57% clearance for the second half-hour. And ABC, which never could succeed in clearing programs after *Nightline with Ted Koppel* at 11:30 p.m., eventually gave the time back to the affiliates this year.

In terms of Saturday morning network shows, CBS was slightly down. And at 12:30 p.m, all three of the networks showed heavy preemptions, with ABC's *The Littles* posting a 74% clearance, CBS' *Rock and Wrestling* (72%) and NBC's *Kidvideo* (75%).

The low daytime clearances are likely to become a sore point for buyers to niggle over come spring when ne-

gotiations for upfront buying commence. Richard Kostyra, J. Walter Thompson USA's senior vice president and director of media services, says, "Already, the people meter shows the daypart is down 20% in audience, compared with the diary. Daytime is already the softest of the dayparts with its heavy commercial loads. You may see advertisers walking away in hordes," he predicts. "Afterall, if we won't buy syndication below 70% clearance, we expect a network show to be well above that," Kostyra concludes.

At SSC&B, Gary Carr, senior vice president of broadcast, has noticed problems with preemptions as well. "With daytime, there have been selected shows that we won't even buy upfront because of clearance. We buy syndication instead," he tells.

Why do stations preempt and risk weakening the network base, and perhaps ultimately endangering their own success as well? Whether it's shortsighted on their part or not, affiliates generally preempt to expand their own local commercial inventories.

"A station may not have enough inventory during the week to satisfy the demand in the marketplace," explains Phil Jones, vice president and general manager of KCTC-TV, the CBS affiliate in Kansas City. Jones also serves as this year's chairman of the CBS affiliates' advisory board.

"It's not normally done because of displeasure with the network programing; it's generally more bottom line driven," he adds. At his own station, Jones has preempted CBS' morning game show, *Press Your Luck*, with a number of syndicated shows, including *True Confessions*. "I haven't put in anything that's worked yet," he admits, but at least, he notes, he's had the spots to sell. "We do it with daytime," Jones continues, "because we feel there is not as much at stake for the network. We feel a little more obligated in prime time," he adds.

But over at ABC, where preemptions are up in daytime and in Friday and Saturday prime time, the attitude is a little different. "Preemptions are definitely up," admits Mickey Hooten, vice president and general manager of Hearst Corporation's television division, which operates five ABC affiliate stations and one CBS affiliate. "We have some very bad problems with late morning, and stations think they can program it better," Hooten notes.

Hooten, who also serves as this year's chairman of the Capital Cities/ABC Television affiliate board, is clearly worried about the problem. At a recent affiliates' meeting he implored station managers to take the long view on preemptions and warned the network to provide better programing.

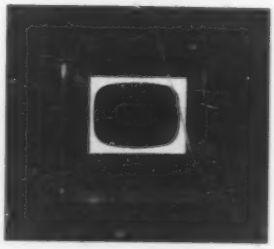
Beyond supplying better programing, which is not a quick solution to fixing clearance problems, what really can be done? All three networks have toyed with the idea of a weighted compensation system, providing affiliates with a monetary incentive to carry lower-rated shows. But the idea did not go over with ABC or NBC. "We looked at it," admits ABC's Newi, "but it's just shifting dollars around. That wasn't what we had in mind. We had to reduce compensation," he adds.

Another solution, sources suggest, would be to give the affiliates a larger chunk of the day to program and sell themselves. All three networks did just that with the 4:00 p.m. time period after they encountered clearances in the 50%-to-60% range. Some affiliates, in fact, like to brag they "grabbed back" the period from the networks.

But again, sources suggest, this is not a viable solution. "I'm not so sure the affiliates want it that badly," says ABC's Newi, "and secondly, the likelihood that the network would willingly give up periods like daytime frankly does not exist. We need the revenue in daytime. That is the cash cow of our network. Even with the low audiences that we're getting in the 11:00 a.m.-to-12:00 p.m. period now, we're still making money," Newi points out.

NBC's Cervini sees the solution as affiliate cooperation. And maybe that's what it takes, considering how NBC turned itself around in three short years to become the number-one network. "When we had our turn in the barrel, we persuaded the affiliates as best we could that we were trying to turn the corner, particularly with programs like *Cheers* and *Hill Street Blues*," Cervini explains. "We kept telling them that these programs would be more successful if more stations carried them. Eventually, the stations became part of the solution, as opposed to becoming part of the problem," Cervini sums up.

Whether affiliate patience is the answer remains to be seen. Stations, which have now gotten a taste of the high demand for local ad time and what that does for their own bottom lines, may not be so inclined to patience. "And stations now have programs available that simply weren't there five years ago," points out Oppenheimer's Dennis McAlpine. "The pure availability of programing is what will make the difference this go round." ■



"Outside of fall, there may be even more preemptions."

Betsy Frank
Associate media research director, DFS Dorland

PARENTAL DISCRETION ADVISED

The trend toward older, dual-income parents has given birth to a trio of new parenting magazines. But are there enough big-budget advertisers to pay their way?

by Fred Pfaff

Parenthood. Whatever the opinion, it's one hot topic on Madison Avenue these days. Sixty-one-year-old *Parents* is on a roll, to say the least. *Working Mother* has parlayed its niche positioning into an all-time ad page high. And betting on the current targeting trend, three very different paid circulation start-ups staked out selected parent segments in 1986, including San Francisco-based *Parenting*, which drew in Time Inc. last summer as a $5 million, 49% backer.

The development on the national front has encouraged other offspring. A network of regional parenting publications, National Parenting Publications Network, has begun its rounds on Madison Avenue, while Meredith Corp.'s 1986 *Grandparents* start-up is persuading advertisers to extend the parenting angle. Another group of entreprenuers plans to launch a bimonthly for fathers early in 1988. The mostly controlled-circulation baby books, related vehicles that snuggle into their own category, are booming. And the Seven Sisters are angling to shore up their parental pitches.

Holding center stage, however, are the national newborns. In nine months, *Parenting*, Taxi Publishing's *Child* and Rodale's *Children* have helped define a clear-cut market in what had been a specialty area in marketers' minds. For one thing, publishers reason, today's mothers are more anxious for resources in print because they lack the housewife networks their mothers once possessed. And "the repositioning of magazines like *Redbook* [whose percentage of parenting editorial has declined since 1980 — see chart, pg. 52] has left a void open for parenting magazines to fill," notes Philip R. Morris, publisher of *Hall's Magazine Report*, a service that keeps track of magazines' editorial content. "These books now are slicing an existing market with very good, carefully positioned editorial."

"It used to be, when you wanted to sell kids' stuff, the best magazines were the Seven Sisters," notes Alan Jurmain, senior vice president, group director of media planning and operations at SSC&B Inc. "These new books offer purer audiences; they could be wonderful for categories that need to reach a narrower pool of prospects."

"This broadens the opportunities for us," agrees Art Heller, executive vice president for media, programing and marketing services at Griffin Bacal, agency for Hasbro toys. "Each editorial product is a little different, so we can vary the editorial environment in which to fit specific brands."

But DDB/Needham senior vice president, director of media planning and operations Paul Zuckerman has seen category rushes run amok before, most notably among the science books, and he voices the concern of many, including Jurmain, that too much may be

Gruner & Jahr U.S. president Beni (left) and **Parents** *publisher Hahn have reshaped the title.*

RICHARD FLYNN

happening too fast. "The category is developing following the tremendous success of *Parents*," Zuckerman notes. "The way I see it, it's going to shake out just like science did. There's an opportunity for a second book, but the marketplace can't support four or five books, and I see no reason to walk away from *Parents*."

It's easy to follow the reasoning behind the new efforts, however. Americans are having more babies (3.7 million, 42% of them first timers, in 1986, a slight increase over 1985, according to Census Bureau projections), and the birth rate is expected to keep growing gradually until 1990. Then births will edge down from 3.85 million in 1990 to 3.63 million in 1995. (See sidebar, pg. 48.)

Publishers also point to the targeting impulse that is taking hold at a number of this country's mass marketers. "We're still going to use the mass vehicles," reasons Campbell Soup Co. director of media services George Mahrlig, whose company has made headlines of late by assigning marketing responsibility and $1 million ad budgets to 16 regional offices. "But we're trying to segment our print messages more and more."

While the strength of the category may lie in its special appeal to a targeted segment of the public, the leading title in the field has engineered

impressive growth by opening up its pages to more general service topics. Still, *Parents* from Gruner + Jahr, long alone in focusing on this market, welcomes the attention generated by its new competitors, and its recent successes have no doubt proven inspirational to the upstarts. It finished 1986 up 11.2% in ad pages (1,257) and 18.7% in revenues ($45.1 million, according to Publishers Information Bureau) and just closed its biggest March, April and May issues ever — about 15% ahead of its 1986 pace. In fact, the magazine has gained every year since Gruner + Jahr bought it in 1978. "*Parents* has done a great job of improving its graphic appeal over the last few years," says Heller. "They've made it a much more attractive, much more modern magazine."

CINDY CHARLES

Wolaner's* Parenting *concept for the educated mass market sold Time Inc.

Publisher John Hahn is the first to admit that what Gruner + Jahr bought in 1978 time was "dull, grey, badly designed, pedestrian, musty and not in tune with the times." Gruner + Jahr recreated the magazine in five months. Hahn and G+J president John J. Beni cut the rate base from 1.5 million to 1.4 million, put four-color on every page, committed to 100 pages an issue, eliminated article carryovers and launched the book's first direct-mail subscription campaign. Editors put one eye on mom as a woman, making a women's service book with a difference.

Since then, service editorial (particularly food and health articles) has been added, circulation has risen steadily to its current 1.7 million and ad pages have more than doubled. Food is the magazine's biggest ad category, accounting for some 25% of pages, while *Parents* also brings in the major beauty accounts, station wagons and minivans and even consumer electronics. The magazine now looks to build on its authority through single-sponsor magazines, an effort that began last year with the publication of six age-specific Pampers magazines for Procter & Gamble Co.

Parents has expanded beyond a baby-book image, but it still starts to draw readers during pregnancy. "A woman about to have a baby wants as much health information and guidance as she can get her hands on about what's going to happen to her," says John Beni. "For her, we're really the nice lady next door."

Fine, counters *Parenting* publisher Robin Wolaner — but *Parents*' audience isn't any more educated than the women's service readers. Monthly *Parenting* serves a slightly older, more affluent and more educated reader. According to surveys included in its fall direct-mail test, *Parenting* launched this past February with mostly women readers (93%) who are mainly college graduates (85%), average two children, and hold down professional or managerial positions (61%). Median age nears 33, while some 33% of readers' household incomes exceed $50,000. The magazine premiered with a 1.8 million print run, and is now positioning itself as "an add-on buy" to *Parents*.

To be sure, a somewhat literary editorial vision lies at the core of the *Parenting* concept, and editor Owen Edwards has included numerous recollection and confessional pieces to help bring it to life. The blend, says Wolaner, is "two thirds solid reporting and one third experiences, emotional support and just plain fun."

Advertisers are responding. With Time Inc. backing and the promotional blitz it affords, as well as launch discounts, the buy attracted the attention of such advertisers as Del Monte and Clairol. The book is now running 60% past the ad projections that Time Inc. once believed too bold, according to Wolaner. The razzle-dazzle that greeted *Parenting*'s birth included four-color trade and consumer print ads, direct mail and point-of-purchase newsstand support. Introductory discounts ranged from 15% for buying three of the first six issues (including the premiere) to 35% for buying six of the first 10 (including premiere).

"Having Time Inc. behind it lends *Parenting* credibility right out of the gate," says Jurmain. As a result, he notes, agencies are less likely to play a "wait-and-see" readers' response game with *Parenting* than they are with the new other magazines.

The boomlet has also heated up the parenting pitches elsewhere in Time's corridors. The 554,972-circulation *Working Mother*, now owned jointly by Time Inc. and entrepreneur Dale Lang (see "Pro Files," February 1987, pg. 12), tells its story right in the title. "The other magazines can't assume that all of their mothers are working,"

RICHARD FLYNN

Success with fashion advertisers has* Child's *Sommers fighting a stereotype.

points out newly promoted publisher and new mother Carol Evans. *Working Mother*'s editorial and marketing posture ("between *Savvy/Working Woman* and *Parents*," says Evans), coupled with a proven track record and high, dual-income households, has supported a CPM higher than its long-standing women's service competitors' rates.

True to its corporate character, the other name player entering the field is taking a quieter approach than Time Inc. Rodale Press traditionally test-launches spinoffs of its sports titles and *Prevention* franchise by putting out one-time or annual "specials." It came up with *Children* through a $10,000 companywide contest and launched it as a 200,000-circulation quarterly for parents who want their kids as fit as possible in every way. Rodale plans to take the magazine to monthly publication and close to 1 million circulation under publisher Kim A. Mac Leod.

"There was no magazine out there that offered 100% editorial on children, and none that approached it from a health and fitness standpoint," says Mac Leod. "We feel readers basically know how to be parents; they just don't know everything about their children. *Parents* and *Parenting* are about parenting; we're about children."

Children's editorial package actually stretches into food and nutrition and products and programs that help kids grow. If its articles aren't enough, *Children* hopes to build authority status by publishing white papers (analyses and calls for action) on such topics as the fitness of America's kids.

CHRISTIE C. TITO

Mac Leod's* Children, *only about kids, came out of a Rodale concept contest.

Over-the-counter drug, food and toy ads got a head start in *Children* because of its sister monthly *Prevention* and annual *Good Toys*. Now, enticing buyers for a wider range of products will be the job of a new trade and consumer print campaign and retail merchandising and sports sponsorship programs to be introduced this summer.

Just as targeted is *Child*, the monthly launched last fall by ritzy Taxi Publishing. At press time, editor and 10% owner Jacqueline Leo (publisher Mary Anne Sommers also owns 10%) firmly denied rumors that *Child* was up for sale, adding that "we still have a partnership with Taxi, and they are fully funding the project." According to Taxi executive vice president Amedeo Angiolillo, though, Sommers and Leo "are free to look around for other partners" and "the magazine is for sale if someone offers me a fair price."

Child's founders, former *Harper's Bazaar* and *Working Woman* ad director Sommers and ex-*Modern Bride* fashion/beauty editor Leo, shared a vision of a magazine for college-educated, $50,000-plus parents who marry later and have a particular point of view for their one or two children. *Child* unabashedly shuns the ABC's of parenting. "Our readers already have 10 books about children," says Sommers. "They want to read something different from the *Parents* kind of articles about what to do about a 101-degree fever."

Heavier coated stock and fashion spreads, coupled with Sommers' initial calls offering familiar fashion advertisers a retail rate ($5,250 for a four-color page), frequency discounts, eight-for-six and four-for-three charter page offers and a group discount with its grown-up sibling, *Taxi*, helped fill the book immediately with high-fash-

SOUNDING OUT THE BOOMLET

There's good news and there's bad news for publishers entering the parenting field. While Americans had more babies in 1986 than in the previous year (3.7 million, 42% of them first timers, according to Census Bureau projections) and the birth rate will grow until 1990, it will then change course. The 3.9 million-birth peak in 1990 will fall to 3.6 million by 1995. Still, there's enough good news to bank on for the near future.

More Americans are marrying in the 1980's than in any prior decade — over 2.4 million each of the last six years — and they're marrying later than ever. Median marriage ages, 25.5 for men and 23.3 for women in 1985, are at an all-time high.

More women over 30 are having children, and the percentage of total births represented by this group grew from 17.6% to 24% between 1970 and 1984. Also, more mothers are working, and returning to work after childbirth, than ever before. According to the 1986 Simmons Market Research Bureau market studies, 59.5% of mothers are working, versus 52.3% of all women and only 51.2% of all married women. In 1976, only 31% went back on the job within the first year after childbirth; in 1985, some 48% did. Among first-time mothers, the number was even higher: Some 57% went back to work within the first year.

And those dual-income couples with kids are making more than their childless counterparts. Median household income in 1984 for married U.S. couples with children was $31,005, while their counterparts' median was $28,235. The median household income declines as the number of children increases (from $32,124 for one child to $19,335 for six children), but families in general have fewer children. In 1984, only 3% of American families had four or more children, only 8% had three children, 20% had two children and 22% had one child.

ion ads. Ironically, on sales calls, Sommers now must fight one result: Agencies label *Child* a fashion book, a stamp that misses the magazine's reporting on such controversial areas as school admissions testing.

It'll be hard not to distinguish *Fathers* from the field if the magazine appears as planned in early 1988. Cofounders, Jeff Stein and Reed Phillips got Warner Publishing to put 25,000 copies of a pilot issue on Northeastern newsstands in April 1986. Pending funding for the magazine's first three years, Stein and Phillips plan to launch *Fathers* as a 250,000-circulation bimonthly.

Also promoting distinct features is

CASH IN THE CRIB

While publishers vie for pieces of the paid-circulation parents market, a number of specialty publishers are finding lucrative niches delivering babies. Largely controlled, with distribution in hospitals' new-baby product sample baskets, doctors offices and childcare and Lamaze centers, these books provide specialized editorial pointed at particular stages of the birth process.

Their ad rates (up to 10 times the typical parenting book's rates — see chart below) reflect their holds on segments of the market, but publishers feel their timing and specificity warrant the premium. "This is pure targeting," says David Gale, national advertising representative for *Baby Times*.

When the subject is the cradle, no one comes to planners' minds faster than *American Baby*. Begun as a controlled circulation magazine in 1936 and purchased in 1986 by Cahners Publishing, American Baby Inc. now encompasses a weekly half-hour cable show (*American Baby Show*), and a quarterly hour-long cable offering, *Journey Through the First Year of Life*, along with annual specialty titles for new mothers. The company also produced a video. The magazine alone ended 1986 with 506 ad pages and $11.6 million in ad revenues, reports national advertising director Joel Ehrlich — an increase of 40 pages (+8.6%) and over $2 million (+20.8%) over 1984.

Another magazine that can make that kind of claim is *Baby Talk*. With a 950,000 rate base, the book devotes each issue to a two-month growth period through the second birthday. Mothers pick up the magazine free of charge (distributors pay for the magazine) in hospitals, doctors offices, prenatal classes and such retail outlets as maternity shops. According to advertising director Barry Weinberg, *Baby Talk* is "the only major baby magazine with significant distribution in retail outlets."

These two stalwarts aren't at a loss for competitors. At each stage of childbearing, there's a magazine. The finely targeted books bank on active involvement with their audiences.

For instance, the publications of EDN Corp. (publisher of *Guide to Expectant Parents*, *Guide to Expectant Mother* and *Guide to Your Child's Development*) are but one piece of overall involvement packages — including newsletters, sample kits and more — that the company sells to advertisers. The *Guides* themselves are actually used as teaching manuals in pre-natal and infant care classes.

A long list of media choices is fine by Mark Rice, vice president and associate media director at Ogilvy & Mather, agency for Kimberly Clark's Huggies disposable diapers. He turns to the baby books as "a targeting opportunity" and uses "a third to half of them" to get specific with a plan that also includes *Parents*.

Title	Times/ year	Rate base (000)	Page cost B+W	Page cost 4-C
American Baby	12	1,000	25,750	35,633
Baby!	1	3,300	68,250	84,000
Baby Talk	12	950	17,845	24,080
Baby Times	6	900	29,615	38,500
Childbirth '87	1*	600	36,151	50,127
Expecting	4	1,200	20,365	*31,575
The First Year of Life	3	3,000	64,913	88,398
Guide for Expectant Parents**	1	1,350	-- 53,328 --	
Guide for Expectant Mother**	1	2,000	-- 90,000 --	
Guide to Your Child's Development**	1	1,300	-- 51,336 --	
Lamaze Parents	2	1,250	29,995	40,995
Mothers Today	6	904.5	16,645	22,675
Mothers Today Source Book	1	1,050	24,445	33,015
Redbook's Young Mother	3	3,900	23,880	31,005
Stork	8	50	1,125	1,500
Twins	6	26	1,200	1,760

Source: Standard Rate and Data Service; individual publishers.
*Minimum price of second, third or fourth cover
**Part of EDN Corp. package, with two printings a year

1.25-million circulation *Parent Guide*. Parent Guide Network Corp. publishes the book 10 times a year and wraps local editorial inserts in issues going to six major markets — a strategy that pulls in the likes of Beech Nut and Playskool toys.

These efforts are complimented on the local scene by the National Parenting Publications Network, a group organized by president Brian Schwab in 1985. It has begun wooing national dollars for 38 local and state parenting monthly tabloids and magazines. NPPN's members win local readers and retail and medical facility ads with more complete listings and in-depth features on local events for children than newspapers choose to offer. Schwab's positioning as "a unique opportunity to test and spot-market without paying a premium" has already attracted such national accounts as IBM and CBS/Fox Video.

"Sounds like a strong concept for reaching concerned parents, especially since one of the problems with regionals has been premiums," says Campbell's George Mahrlig. "But it's not certain how localized print advertising is going to get." As head media man for Hasbro, Griffin Bacal's Art Heller agrees: "Most, like us, do their parent targeting in national media. NPPN is only in certain markets."

That holds true to the axiom planners and publishers alike offer: the more specific the magazine, the less advertising appropriate for it. Campbell's has been running broad-based ads in *Working Mother*, along with *Parents*, to supplement its Seven Sisters schedules. "With the importance of children to the soup business, getting to target more finely in the parenting category is a good opportunity," says Mahrlig of the new books.

"But parenting is now a double-edged sword," he says. "The category gives us an opportunity and impetus to consider running ads aimed at women with children — something we haven't done a great deal of. But we may need a whole new copy platform for those new books. And the small segments they're covering are more attractive to marketers of premium-priced products who've always found the women's service books too mass."

SSC&B's Alan Jurmain agrees. "When it comes to general products such as automobiles," he says, "parenting books are great vehicles for family-oriented station wagons and minivans. But for something less specifically family-oriented, such as shampoo, you have to ask whether you aren't better off with the broader appeal, reach and better efficiency of the women's service books."

Jurmain's qualification is a standard category distinction Del Monte, for one, refrains from making. According to Judith Poulson, media supervisor for Del Monte at agency McCann-Erickson/San Francisco, the brand has defined its own category of "young families." That category, which Poulson says gets about 10% of Del Monte's budget, currently includes *Parents*, *Working Mother*, *Parenting* and *Redbook*, a magazine whose reach among young families with kids under six years Poulson feels makes it "more appropriate to judge against the other parenting books than against *Woman's Day* or *Family Circle*."

The number of specialty titles doesn't bother Del Monte, either. "More and more of our whole magazine schedule is going into extending our coverage through vertical categories," Poulson says. "We think the growth is healthy competition that is evidence only of a viable marketplace."

Poulson's seems a minority opinion. While heady growth for Hasbro lets Griffin Bacal's Heller buy all but *Child* (unnecessarily upscale for Hasbro, he thinks), he adds, "there's really an overlap in the parenting magazines' targets. I think we'll see significant duplication for the primary target of women with children under five when the syndicated research on them is in. Their subject matter is pretty much the same."

As a result, media executives aren't so sure this isn't a fad. Rodale's *Children* publisher Mac Leod can't see the field growing beyond its current players; and while *Working Mother*'s Evans insists the parenting boom is based on statistics and not measured hunches about American interests, others can't help seeing similarities to the sudden boom in science books. Once the joy of discovery has waned, the real work begins. ■

THE KIDS CLUB

Magazines With 2.5% or More Children Edit For Full Year 1986

Title	1986 Pages	1986 % total	1985 Pages	1985 % total	1980 Pages	1980 % total
Parents	376.7	34.5	348.3	36.7	372.9	46.1
Working Mother	157.7	19.3	189.5	24.4	123.1*	29.5*
Family Circle	101.1	7.0	92.8	6.3	51.1	4.0
McCall's	62.9	6.5	69.2	7.2	42.8	3.9
Women's Day	63.4	5.0	62.5	5.2	74.0	6.3
Ladies' Home Journal	49.2	4.6	39.8	3.5	41.3	4.6
Better Homes and Gardens	45.3	4.4	48.7	4.5	16.1	1.5
Health	21.0	4.0	10.4	2.0	**	**
American Health	21.7	3.4	11.0	1.8	**	**
Good Housekeeping	52.4	3.1	43.7	2.5	34.5	2.0
Redbook	33.7	2.9	62.3	5.3	88.2	8.0
Essence	21.5	2.7	23.8	3.0	**	**

Source: Hall's Magazine Report, "Children" category
*Total based on six issues
**Not reported in 1980

BASES LOADED

It's clutch time for sports publishers who are bidding like mad to bring home newsstand dollars and national ads with annuals.

by Fred Pfaff

It's only April. Stores just put spiked shoes and baseball mitts in their window displays. The World Series seems a lifetime away and the Super Bowl — well, forget it.

You wouldn't know it to talk to sports annuals sellers. They're already playing up football fever for their once-a-year, newsstand-only football issues, which come loaded with the latest scouting poop on pro and big-time college teams. And they're finding takers. Since fans seem to have an insatiable appetite for such record/scouting books, planners are giving them a hard look as viable, supplementary sports buys. That kind of action means more and more publishers are looking to get into a game that's already crowded with some pretty burly players.

This year marks the debut of seven national annuals for football alone, and more than 17 national annuals altogether; numerous other players are making their debuts at the local or regional level; and the largest annuals publisher has opened his books to advertising. So if you just predicted a season of tougher choices for big sports magazine buyers, "You can say that again," confirms RJ Reynolds Tobacco Co. media director Dan Pearson.

What publishers eye is a high-return route to a market of fans growing partly because of cable coverage, rising youth leagues, sport's celebrity status and the fitness frenzy. Newsstand books are cheaper to produce and devoid of huge subscription-building bills. "We only need material and staff," attests annuals publisher Norman Jacobs, president of Century Publishing Co. Publishers can bank 40% to 50% of high cover prices that average well over $3.00, while using the annual to strengthen a flagship monthly's position as a factual authority, extend the company's reach into the sports market and break into new ad categories.

"For a certain time of year," particularly during the off-season, notes Century's Jacobs, "tremendous excitement is generated among each sport's public. There's a window of opportunity there: fans who want records and statistics, previews and predictions. They'll buy a number of publications they wouldn't on a regular basis." Yet *Sports Illustrated* finds newsstand annuals too costly for its operations scale. *SI* stays out of the game, instead treating extra football preview and Olympics issues as one-shots (Olympics buys even include merchandising packages).

Consumers' willingness to pay high cover prices for annuals beeps a strong signal for media planners looking to build on a client's schedule in core weekly or monthly sports books. Another advantage is shelf life: Fans who

buy a sports annual generally keep it close to the television set and refer to it continually throughout the sport's official season. Some 89% of the buyers of annuals put out by Preview Publishing, for example, read at least three-quarters of the issue, while 92% refer at least occasionally to it afterward.

Advertisers have had to judge by those selling points. Launched with only the reader in mind, many annuals have never been audited or subjected to syndicated research. "That makes them a tough call," notes RJ Reynolds' Dan Pearson. "By the time you find out you were wrong, the issue is well past." Annuals' one-shot nature, though, precludes the trend research that Pearson finds most valuable about audits. So the distribution record and reputation of the publisher plays a key role in buyers' decisions on a new entry.

"Since they aren't part of syndicated research, it *is* difficult to evaluate them on a media basis," adds Bob Zach, vice president, media director at Chiat/Day. "They aren't a terrific CPM buy in terms of generating total audience, but they're a good buy in terms of involvement with the issue. The buyer is paying top dollar to get it, so it's not like *People*, for instance, where it's hit or miss as to whether someone sees your ad. They have a much greater pass-along among very few people, and their souvenir quality ensures that they'll be looked at at various times during the season."

That reader involvement story, coupled with high income and professional/managerial levels, has sustained some of the grand old players in the field for years. It's been enough to make advertisers regard some of the more prominent annuals as solid demographic buys within the sports interest category. But it's uncertain whether the advertising market can support substantial growth in the ranks. At the very least, publishers agree, the recent influx of titles puts a new pressure on positioning.

To face the new competition, lots of annuals are getting spiffed up. Renewed interest and capital from parent Conde Nast aims to lock in the stance of Street & Smith's Sports Group — annuals for pro and college football, basketball, and baseball — as the oldest and most respected authority. (Conde Nast properties since 1959, the books date back to 1940.) "Our readers call us the bibles," swears advertising manager Angelo Kalogiannis.

While the books have turned sound profits on newsstand sales alone for decades, notes Kalogiannis, advertising is becoming more key. A year ago, the books were direct-mail showcases for player cards, official T-shirts and the like. Now, with more editorial color on its newsprint inside pages, lively promo kits, an in-process ABC audit, first-time trade ads and polished sellers, Conde Nast is out to sack big-name national advertisers. A median buyer age of 32 and median household income of $36,000 has already brought in such major brands as Kool cigarettes, Vitalis haircare products and Adidas shoes. Street & Smith's hopes to have two new titles to round out its package soon.

Close on Conde Nast's heels with regionalized covers that split to feature two personalities are the four statistical annuals (pro and college football, plus baseball and basketball) of the *Sporting News*. A move to heavier paper last year helped boost their combined circulation 100,000 to 1.5 million.

The annuals' almost entirely-male audience, boasting 61% ages 25-49 and median household income of $33,200, according to proprietary studies, has brought in advertisers such as Jensen audio and Vitalis, which have not run in *Sporting News*. Also helping to lure in advertisers are coated stock paper and a range of discounts, such as 14% off on buys for all four specials, 5% off for spending $42,500 in *Sporting News* in 1987 and a 5% renewal discount for steady annuals advertisers.

Jostling for rack space and ad sales with Street & Smith's and *Sporting News* annuals is the glossy, oversized, serious Preview Publishing. Preview's three-sport core lineup (*Don Heinrich's Pro Review* [football], *Bill Mazeroski's Baseball*, *Dick Vitale's Basketball*), last year added a fourth entry. The heavily statistical *The National Sports Review* strives to counter what Preview's editors saw as gutless "puffery" taking over daily newspaper and weekly and monthly sports magazine reporting. Conceived with the reader at heart, Preview lived well off single-copy sales before courting advertisers starting in 1986. And this year Preview has expanded Don Heinrich's coverage with a college football issue.

Like the grand old veterans, Preview positions as "the in-depth source" for the hardcore fan. It also claims its books are the ones with bite. "We give an inside look into teams," says Kyle Heinrich, vice president, director of

sales and advertising. "And we stimulate the thought process by taking a position in black and white, which other magazines won't do." The 1986 *Don Heinrich's Pro Review*, for instance, moved quickly from four-color features on general issues facing football into black-and-white spreads containing recaps, analyses, predictions and ratings for each unit of every team, as well as back-of-the-book, four-color snapshots of players to watch.

Bite, ABC audits and a healthy demographic profile are enough to make advertisers listen. Preview's proprietary research says its readership is 94% male. Of those, 71% are between the ages of 25-49, 54% work at professional/managerial capacities, and 42% log in individual annual incomes between $25,000 and $50,000.

Those stats won Preview 18 pages of advertising per magazine last year and 25 (no more than 20% of any one

THE SPORTS ANNUALS LINEUP

Title	Circ. (000)	On sale	Ad close	Page cost B&W	Page cost 4-C
BASEBALL					
Street & Smith's Baseball	286	3/10/88	1/11/88	*	*
Baseball Digest Presents:					
–Baseball Preview	125	2/23/88	1/1/88	*	*
–Baseball's Best Pitchers	125	4/19/88	3/1/88	*	*
FOOTBALL					
Sporting News Pro Football	400	7/7	5/12	3,845	5,130
Street & Smith's Pro Football	283	7/7	4/21	3,280	5,280
NFL Prologue	275	6/18	4/8	6,090	8,700
Don Heinrich's College Preview	250	7/27	5/15	6,700	7,500
Football Digest Presents:					
–NFL/NCAA Football Preview	125	7/21	6/1	960	1,200
–Super Bowl Issue	125	12/22	11/1	960	1,200
BASKETBALL					
Street & Smith's Basketball	298	10/13	8/4	3,280	5,280
Sport Pro/College Basketball	250	10/7		***	***
–Pro and College Preview	125	10/20	9/1	960	1,200
ALL AROUND					

Source: Individual publishers
*1988 rates not yet set
**Rates negotiated on package basis
***Single sponsorships sold at $50,000

issue) this year. Support has come from the likes of Mazda Motors of America and Lite Beer from Miller Brewing. Preview will add a college football book and two other soon-to-be-announced titles in 1987.

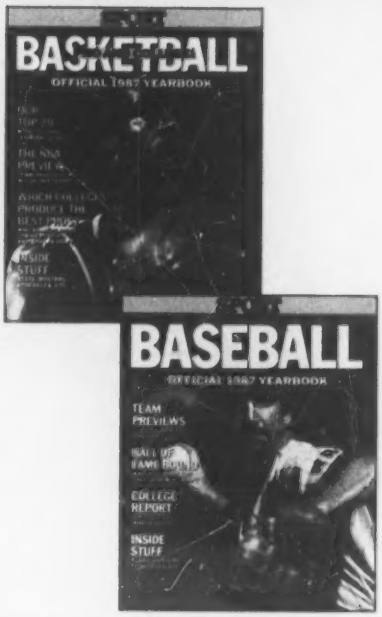
If Preview has more to sell, it also will have more to sell against. Monthly *Sport* has thrown its franchise into the field for the first time, introducing four 1987 annuals which offer advertisers seven ad pages for a single sponsorship of $50,000 and the chance to tailor ads to fit regional editions. Volvo and RJR have already signed on for what president and publisher Chuck Stentiford calls a "promotional buy."

While Petersen Publishing Co. is adding annuals, too, it's turning away from the single sponsorships that have sustained its pro football and pro baseball books. New trivia and pro basketball books this year will be slicker, more colorful and open to national advertisers.

Also vying for the authority label is a revamped lineup of standard-sized, statistical annuals from Century Publishing Co., publisher of *Inside Sports* and the smaller-sized *Digest* series. Starting in June, the company will publish one annual every month of the year and offer the package as an adjunct buy to *Inside Sports* and the *Digest* books. Publisher Norman Jacobs does not plan to replace the annuals' core of 32 pages of mail order advertising.

Taking a somewhat different stance is six-year-old Athlon. This Tennessee-based publisher's pro football annual and network of regional college football annuals emphasize personalities, feature articles and a total marketing philosophy that involves extensive merchandising. Each issue carries three to five pages of colorful features on each team. The regional distribution of Athlon's eight college books allows the publisher to regionalize the covers of its nationally distributed pro football book — "a really neat advantage," pipes in Zach.

Selling philosophy is just as different. Though it trumpets its recent 3.5% guaranteed net paid circulation average rise to 171,393 and its almost entirely male readership base, Athlon goes for other angles as well — namely merchandising. It builds into every page price an issue and personalized letter



Sport ***brings a name and single sponsorships into the field.***

mailing to an advertiser's top 100 customers; pocket-sized college football schedules with the advertiser's logo and sales messages; 12 college bowl tickets; and a football update newsletter that reaches selected customers every Tuesday for the 13 weeks of the college season.

To be sure, features and merchandising are targets for competitors' jabs. For instance: "Athlon is all gloss and puff," snipes Preview's Heinrich. "They're selling tickets more than media," quips *Sporting News* president/CEO Richard Waters. But that doesn't bother Athlon's vice president Roger DiSilvestro a bit: Athlon's 1986 pro football issue closed with 125 ad pages from 102 advertisers, a tally that makes Athlon's recent decision to add a major league baseball program in 1988 easy to understand.

Advertisers aren't sniping. Merchandising is the "deciding factor" in HCM media supervisor Janet Krug's sports planning for client Clarion Corp. of America, car audio equipment marketer. Krug's prime target is 18-34-year-old men; her aim is a "high profile buy." To build on Clarion's base in *Sports Illustrated*, *Sport* and *Inside Sports*, she buys Athlon as well as sundry arena programs. "An efficient publication" in her opinion, Athlon boasted the right emphasis on merchandising. "Sales managers can really use the tickets and trips for dealer incentives and salesforce motivators," she points out.

But most advertisers buy annuals for their long shelf life with a reasonably affluent audience. That is what convinces RJ Reynolds' Dan Pearson, for one, to build brands through pages in most of the major annuals. And those "repeat exposures, which are much higher than for weeklies or monthlies," combined with a discount offer, are what convinced Gardner Advertising project associate Diana Haerr to get client Jack Daniel Distillery's standard black-and-white, two-thirds page ads into all four Preview Publishing books.

"We like the Preview books," agrees Katie Jones, senior media planner at Foote, Cone & Belding/Santa Ana. "They're enthusiast books with healthy newsstand, a good editorial base, an upscale audience and a large size. Because they have statistics and projections from the beginning of the season, we believe they have a longer shelf life. They form a really good marriage with broadcast buys." To tie in with Mazda Motors of America's 1986 tv sports schedule, Jones bought Preview's basketball and year-end *National Sports Review* issues; football will be added this year.

However valuable as vehicles, there may be too many annuals. Newsstand space is shrinking as owners replace magazines with other items that UPC code tracking reveals to have faster sell-through — a development that increases the importance of ad sales. Many publishers, like Street & Smith's Kalogiannis, view their books as effective secondary sports buys for a men's market that's hard to reach in print and as competitors only of other annuals. Indeed, most planners don't pull dollars for them from their budgets for core books.

"There's got to be a shakeout sometime soon," admits Kalogiannis. "I think readers are sampling right now, but I don't see a long-term market for four or five annuals in one sport. Maybe two or three can make it."

As much as she agrees, Foote, Cone & Belding's Katie Jones can't complain about the prospect of fewer choices. "I'd hate it to get like the high tech category," she says. ■

BRAND REPORT

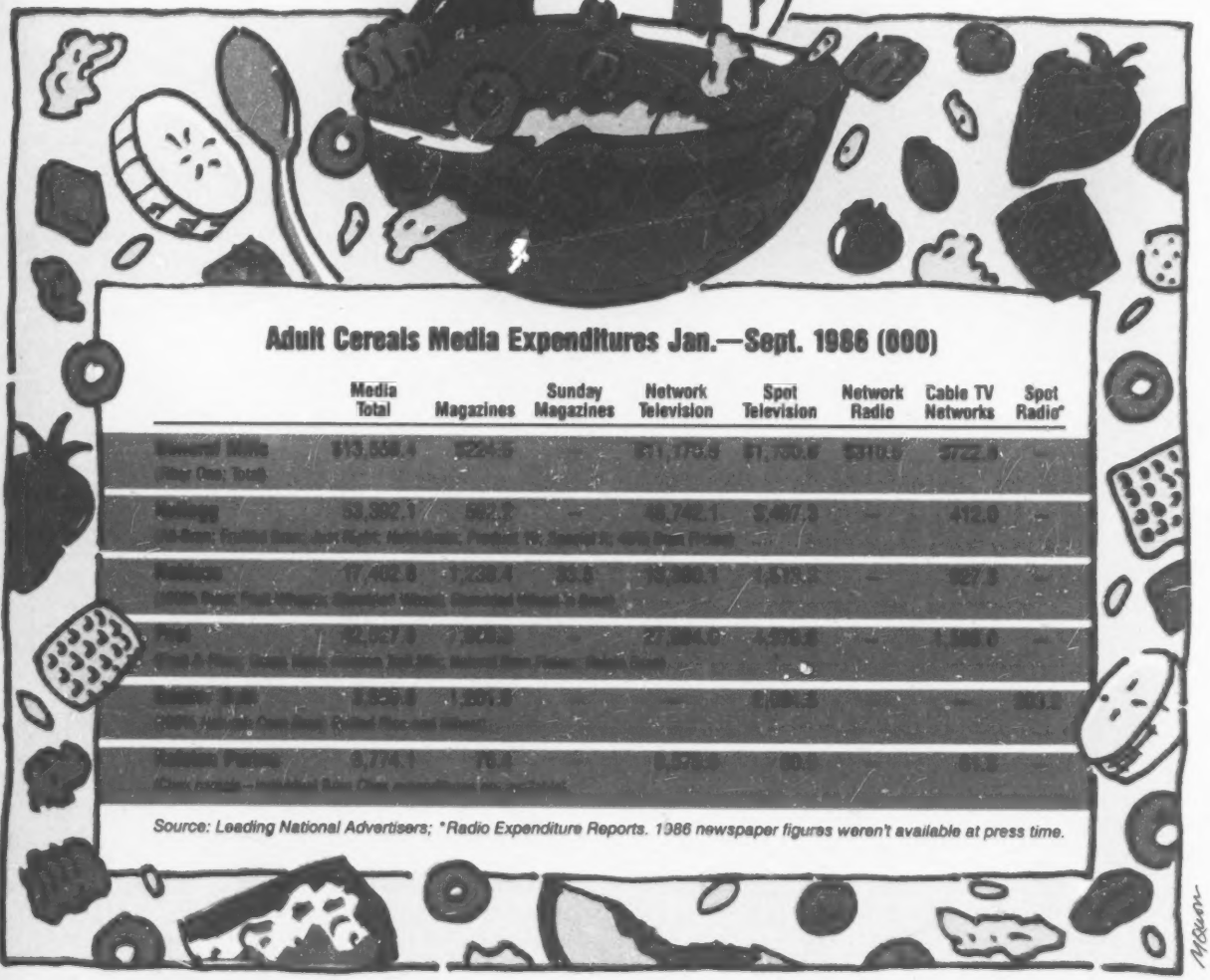
No. 141: Adult Cereals

BRANTASTIC

by Paula Schnorbus

Oooh, for the days of Tony the Tiger, Snap, Crackle and Pop and milk bowls stained brown from the yumminess of Cocoa Puffs. But all good things must come to an end, and even though a few of those over 21 may sneak in an occasional bowlful of childhood memories, the rest are dutifully squaring their shoulders to responsibility and EATING RIGHT. And in today's world, that means crunching through lots and lots of bran-based cereals.

Cereals geared to adults have become very big business. Most students of the field date the real emergence of the trend to Kellogg Co. and its highly controversial, groundbreaking campaign for All-Bran in 1984. Playing straight to the public's deepest health



Adult Cereals Media Expenditures Jan.—Sept. 1986 (000)

	Media Total	Magazines	Sunday Magazines	Network Television	Spot Television	Network Radio	Cable TV Networks	Spot Radio*
General Mills (Total One; Total)	$13,558.4	1224.5		11,176.5	1,100.8	$310.6	372.8	—
Kellogg (All-Bran; Frosted Bran; Bran Buds; Nutri-Grain; Product 19; Special K; 40% Bran Flakes)	33,392.1	582.2	—	18,742.1	5,467.3	—	412.0	—
Nabisco (100% Bran; Fruit Wheats; Shredded Wheat; Shredded Wheat 'n Bran)	17,402.8	1,238.4	83.8	14,380.1	1,519.5	—	927.8	—
Post (Fruit & Fiber; Grape Nuts; Honey Bran; Natural Bran Flakes; Raisin Bran)	42,067.8	1,300.2	—	27,384.0	2,373.8	—	1,009.6	—
Quaker Oats (100%; Natural Bran; Oatmeal Bran; Toasted Bran and Wheat)	8,253.8	1,201.2	—	—	4,886.3	—	365.2	—
Ralston Purina (Bran Chex; Cinnabon Bran Chex; Cinnamon Bun Chex)	5,774.1	76.8	—	5,275.0	60.5	—	61.8	—

*Source: Leading National Advertisers; *Radio Expenditure Reports. 1986 newspaper figures weren't available at press time.*

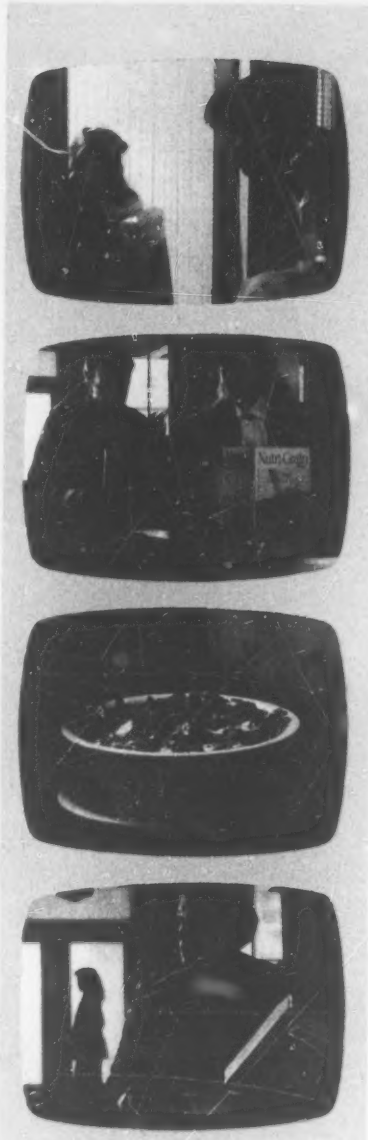
ILLUSTRATION BY MIKE QUON DESIGN

fears, Kellogg's advertising for All-Bran — and the box itself — invoked the name of the National Cancer Institute and its suggestion that increased intake of bran cereal might stave off the disease. The write-up on the box, which includes "Preventative Health Tips" from the National Cancer Institute, explains that the Institute "believes eating the right foods may reduce your risk of some kinds of cancer." High fiber, of course, is mentioned next.

Even though all that bran fiber may have tasted like wood shavings, the public quickly acquired an appetite for it. By 1985, national tonnage in bran/fiber varieties of ready-to-eat cereals exploded to 360 million pounds from 309 million pounds a year earlier. SAMI/Burke Inc. reports that in 1986, market share of bran/fiber cereals continued to rise to 387 million pounds, or a 17% share of the ready-to-eat cereal market.

Just about every cereal manufacturer has jumped on the bran/fiber/health bandwagon. Cereal commercials, once the province of early morning and daytime, have moved into prime time when mom, dad and gramps are watching. The demographics indicate this concern for healthier eating, i.e. adult breakfast foods, will continue. Aging baby boomers will account for 23% of the population by the year 2000, up from 19% in 1985. The age group ranging from 45 to 64 years old eats breakfast 79% of the time, according to an August report on the breakfast food market from Business Trend Analysts Inc., Commack, N.Y. The report says that this group is far more likely to munch on whole-grain, high-fiber cereals than sticky buns.

Fiber, fiber, who's got the fiber, is the question it seems on all the cereals cramming the supermarket shelves. It has also become a question among advertisers, many of whom have wasted no time jumping on the bran-wagon; consumer groups, who are wary of the grandiose cereal claims; and the Food and Drug Administration, which, because of all the commotion, has been developing food labeling guidelines since the Kellogg ad. Says Lillie Taylor, assistant to the director of the FDA's Division of Regulatory Guidance, "We basically think food labels are not the place for therapeutic or drug claims. It's not just because of Kellogg."



Kellogg goes for the sentimental pitch with Nutri-Grain.

Bonnie Liebman, director of nutrition at the Center for Science in the Public Interest, a Washington, D.C.-based consumer group, says the Kellogg ad doesn't indicate whether one should eat a swallow or a box of bran cereal a day. "It's not so much that ad but other manufacturers taking advantage of the opportunity," she warns. Liebman says fiber isn't a nutrient such as vitamins, minerals or proteins, so there isn't a U.S. Government Recommended Daily Allowance. Consequently, there are claims such as the nebulous "high fiber," or "rich in fiber." Liebman notes many are high in fat, but that, of course, is left off the box.

Meanwhile, the Federal Trade Commission still stands by statements made more than two years ago by then-director of the Bureau of Consumer Protection Carol Crawford, who endorsed the Kellogg ads saying, "They are useful for making purchasing as well as dietary decisions and informed choices. It is this type of advertising we believe should be encouraged."

And how. In an October report on ready-to-eat cereals, *Consumer Reports* notes that Kellogg's All-Bran sales skyrocketed 41%. Kellogg won't comment on the figure except to say that they and other cereal companies experienced a "positive impact" from Kellogg's promotion and advertising.

Indeed, Liebman says other cereal companies are "piggybacking" on the Kellogg ads. "All another company has to say is 'We have a lot of fiber,' and [consumers] think of Kellogg," she says.

And yet one survey of high-fiber product purchasers seems to indicate that adults don't choose cereals based on nutritional content. According to *Prevention* magazine, 32% of those polled said taste was the most important consideration. Only 11% said the next consideration was that the cereal be "good for you." The survey also found that people with higher incomes and education are more likely to buy high-fiber products. More detailed data will be in *Prevention*'s May issue.

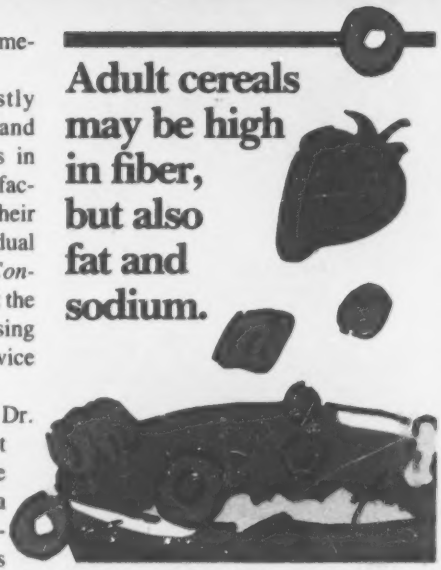
Adult cereals have never been known for their great taste, a concept hard to take for those weaned on breakfast foods choked with sugar. Through the years, cereal makers have been trying to rectify the problem by tossing in fruits and nuts. Rod Shank, grocery buyer/merchandiser for Stop & Shop Supermarkets, of which there are about 150 in Massachusetts, Rhode Island and Connecticut, says, "Kellogg's Nutri-Grain will do very well, but then another company introduces high-fiber with fruit. Then people like to taste

other cereals to see if there is something they like better."

The cereals are pitched mostly through television advertising and heavy use of free-standing inserts in Sunday newspapers. Cereal manufacturers don't have loose lips about their advertising budgets or even individual breakouts of adult cereal sales. *Consumer Reports* notes, however, that the "industry spends a dime on advertising for every dollar it takes in — twice what other food makers spend."

How good for you is this stuff? Dr. David Klurfeld, who researches diet and chronic diseases as an associate professor of the Wistar Institute, a Philadelphia-based biomedical institute, says it depends on the claims being made. "You can say fiber is certainly good in preventing constipation and diverticular disease, but most people are making claims that go beyond that," he says. "I think fiber does play a role in preventing colon cancer, but which types of fiber and the amount necessary, I don't know."

Following is a list of cereal companies in order of combined market share of fiber and adult nutritional cereals. Timothy Ramey, analyst with Kidder, Peabody & Co., estimates that in 1986, Kellogg had a 48% share; General Foods' Post division a 29% take; General Mills stood at 16%; Nabisco at 3%; and Quaker and Ralston Purina approximately 2% each.



KELLOGG

Kellogg appeals to our innermost fears and yearnings by pitching "cancer preventative" fiber cereals to our grown-up sense while Tony the Tiger faithfully goes after the kid in all of us with his **Frosted Flakes**.

Frosted Flakes have been marketed to all age groups because of marketing research that shows adults have been buying the cereal, but are "embarrassed to let people know they buy it for themselves and not their kids or grandkids," says Celeste Clark, Kellogg director of corporate publicity. The tv ads show adults cast in shadows as they gush about their love for Frosted Flakes, which has a taste they've "grown to love."

The brand is 35 years old this year, and apparently has kept many of its original consumers. Kellogg dropped the "sugar" prefix from the Frosted Flakes name in recent years.

Clark says more-adult brands have been introduced by Kellogg in the past couple of years. She adds that the 18- to 49-year-old age group is a particular challenge because "they tend to skip breakfast more than other age groups."

Kellogg's bran cereals, as well as those made with corn, wheat, rice and oats, are pitched to adults, although **Raisin Bran** includes an ad execution directed at children.

All-Bran, which made its debut in 1916, is considered the "gold standard" for high-fiber cereals, claims Clark. **Bran Buds** (shreds of wheat bran), **Cracklin' Oat Bran, Fruitful Bran, Bran Flakes, All-Bran Fruit and Almonds** and **All-Bran Extra Fiber** may carry the cancer preventative message, as well as one to consult a doctor if abdominal digestive pain occurs. In addition, Fruitful Bran and Bran Flakes offer $5 off coupons for Reebok, Nike and Winner sneakers in conjunction with Sears.

Nutri-Grain, which dedicates itself to the ones we love, is introducing a new **Nutri-Grain Nuggets** product. Kellogg reportedly is spending — but won't confirm — $24 million on the five-product line, which targets adults particularly interested in health and fitness. LNA reports that Kellogg spent $8.2 million on the cereal line for the first nine months of 1986.

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is in charge of the bran cereals as well as Nutri-Grain. Leo Burnett USA, Chicago, takes care of Frosted Flakes, **Just Right, Product 19,** and **Special K.**

Product 19 markets itself as a dieter's cereal with promotions for weight scales and brochures with diet information and coupons for Weight Watcher's foods. Special K had an estimated $9 million in ad expenditures for the first nine months, according to Leading National Advertisers.

Special K pitches "no cholesterol" and apple juice coupons. **Just Right** provides a granola bar recipe on its package. LNA reports that both Product 19 and Just Right spent about $8 million and almost $9 million, respectively, on mostly network tv in the first nine months of last year.

Pro Grain, a new cereal that provides "high performance nutrition for a high-performance body," will be pitched to teenagers and young adults as the Ironman Triathlon food in a campaign handled by Leo Burnett. Kellogg is said to be spending $30 million on advertising for the introduction of the pre-sweetened oat cereal.

Grape Nuts has been doing well in New York with more advertising.

LNA's nine-month figures show that Kellogg's adult cereals almost always advertise on television, be it network, spot or cable, and in that descending order. Tv ads are usually :30's, but :15's have been used. The bran cereals and Nutri-Grain are advertised on *Good Morning America, CBS Morning Program, CBS Evening News, NBC Nightly News, Head of the Class* and *Matlock*. They also can be seen on *Nickelodeon* and USA cable networks. Clark admits that currently, "We don't use much print" and schedule "no radio." Free-standing inserts with coupons are used for most of Kellogg's cereals. A popular promotional sort of bingo game is called "cash-on-line," where a consumer collects proofs of purchase from different products and then wins $10 in cash.

GENERAL FOODS' POST

Post cereal tv commercials are about as au naturel as they can get, seemingly pitched to folksy types of the late 1960's and early 1970's. There's John Denver hustling **Post Natural Raisin Bran**, which apparently wasn't "natural" for some 50 years before the preservatives and sugar coating were removed from the raisins.

Ken Defren, director of communications at General Foods, explains, "Post Natural Raisin Bran appeals to a somewhat older group of people. They relate to it more than a teenager." Denver has been spokesperson for the cereal for about a year. According to *Forbes*, he was paid about $1 million for his appearance. Keeping with its back-to-nature tone, the cereal sponsored a program under which Post donated $250,000 to the national park system. "We were helped along by consumers through proofs of purchase to order materials we had written [about various parks]," says Defren. Consumers also could win $200 worth of travel coupons. LNA estimates that about $10.1 million was spent on the cereal for the first nine months of 1986, most of which was used for network, spot and cable tv, with $1.1 million going to magazine ads.

Post Grape Nuts date back to 1897. Their commercials feature an outdoorsy type wandering around his or her country-like yard, drinking the milk backwash directly from the cereal bowl. Post must know when it has it good because they are keeping the theme for the Grape Nuts commercials.

For three years, Grape Nuts has been sponsoring bicycle festivals in conjunction with Rodale Press. There are also sampling events in conjunction

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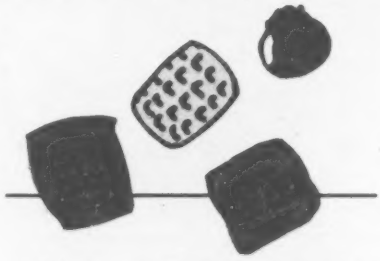
with the American Ski Association. Participants may partake of free Grape Nuts breakfasts and win prizes. Grape Nuts also offers coupons for Jell-O on the back panels of cereal boxes.

LNA says General Foods spent $13.8 million on Grape Nuts, of which $8.6 million was on network tv, $3.1 million on spot, $353,300 on cable, and $1.9 million on magazine ads.

Other cereals directed to adults are **Post Toasties** and **Post Fruit & Fibre**, which has four products under its trademark. "Once they're in the house, many of these appeal to a much broader age group, especially Post Fruit & Fibre," Defren observes. Generally, the adult cereals are targeted at the 35-plus age group. Fruit & Fibre's ad expenditures, according to LNA, were $11.4 million, with $8.1 million on network tv and $2.2 million on magazines. Spot and cable tv ads were minimally used, LNA reports. *Metropolitan Home* has run a two-page spread, including a recipe, for Fruit & Fibre with the headline, "The Elegant Breakfast."

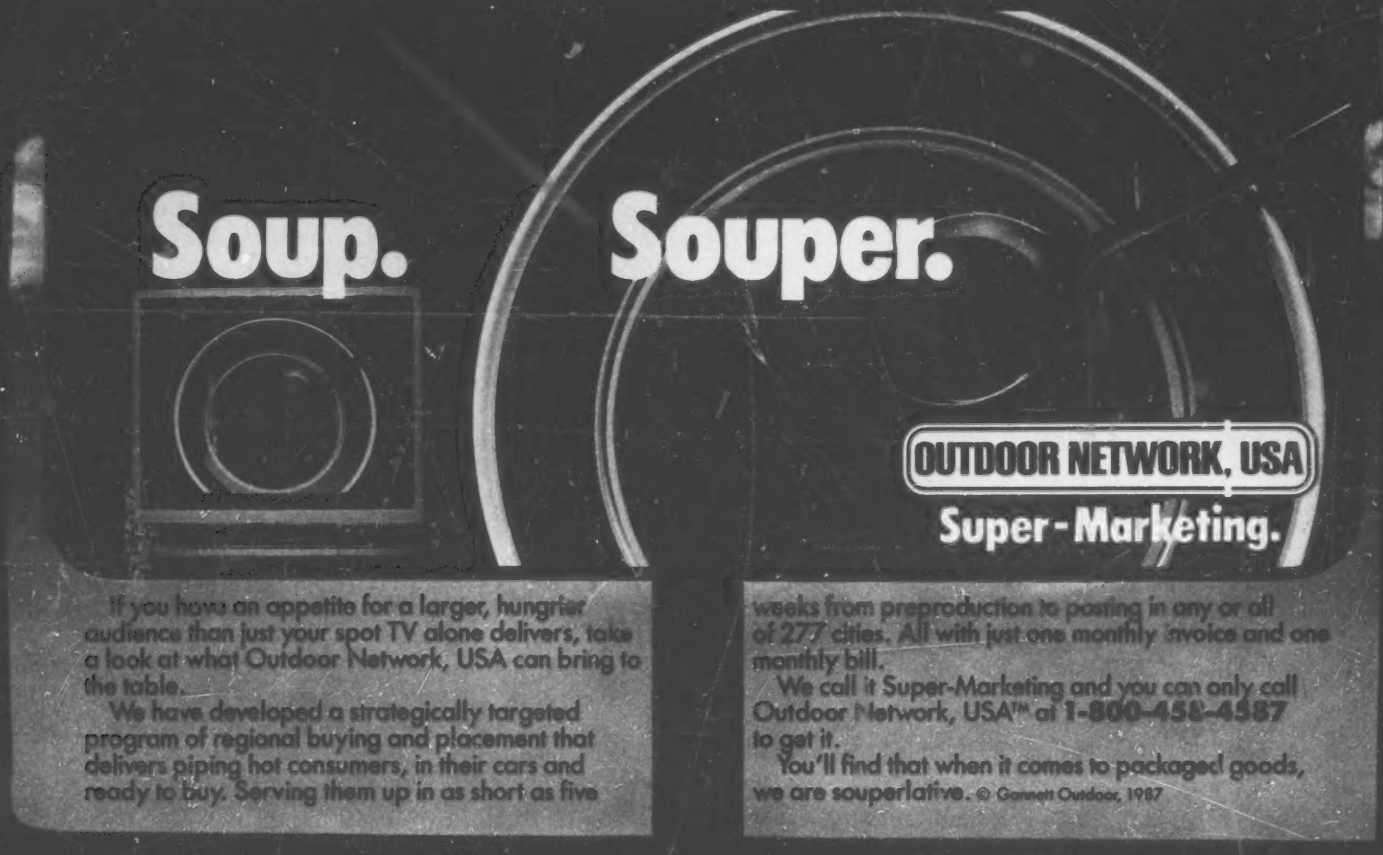
Post Toasties aren't supported by advertising currently, but by couponing. A recent promotion was for Post Toasties car mugs. **Horizon Trail Mix**, introduced less than two years ago, is still being distributed, although it isn't advertised. For the first nine months, LNA reported $5.3 million in ad expenditures, $3.6 million of which was in network tv, $903,700 in magazines and the rest in spot and cable tv.

Post pitches to the organic, outdoorsy types with skiing and bike trips that feature free breakfasts.



Post's tv commercials are mostly :30's and are often shown during prime time, says Defren. They have appeared on the morning and evening network news shows and also on *Moonlighting*, *Dallas* and network movies. Free-standing inserts are dropped with "some regularity" in print advertising. Magazines used include *Health*, *McCall's*, *Family Circle*, *People*, *Good Housekeeping*, *Woman's Day*, *Time*, *American Health* and *Parents*. Grey Advertising handles the adult cereals' accounts.

It has been reported of late that General Foods is stepping up its advertising expenditures, although the company declines comment on that also. Barry Maddox, grocery buyer for the Memphis division of Malone and Hyde Inc., a grocery wholesaler, says Post cereals have been declining in his area, which covers parts of Mississippi, Tennessee and Arkansas. "They've dropped about two points in this area," he says,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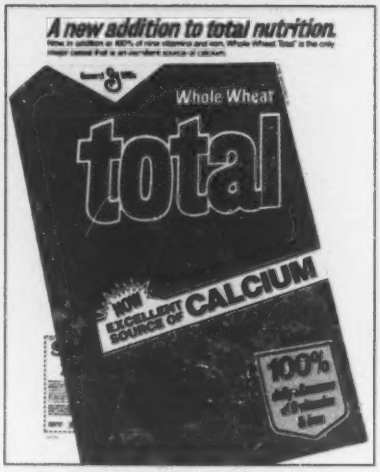
adding that none of Post's cereals have been very aggressive and have only had promotions from time to time.

Jim Higgins, a cereal buyer for Giant Food Inc., a Landover, Md., chain with about 140 stores in Maryland and Virginia, says, "Post isn't doing so well. The support and tv advertising just doesn't hit home."

But Ray Kuruc, corporate category manager of Grand Union, an Elmwood Park, N.J.-based supermarket chain with 380 stores on the East Coast, says, "Grape Nuts have always done well" in the New York area. "They're riding high lately with an increased advertising schedule."



Total has been pumped up with calcium for the over-55 crowd.

GENERAL MILLS

Not counting the new "family" targeted **Raisin Crisp, Fiber One,** a relative newcomer, and a new calcium-fortified **Total** are General Mills' adult entries.

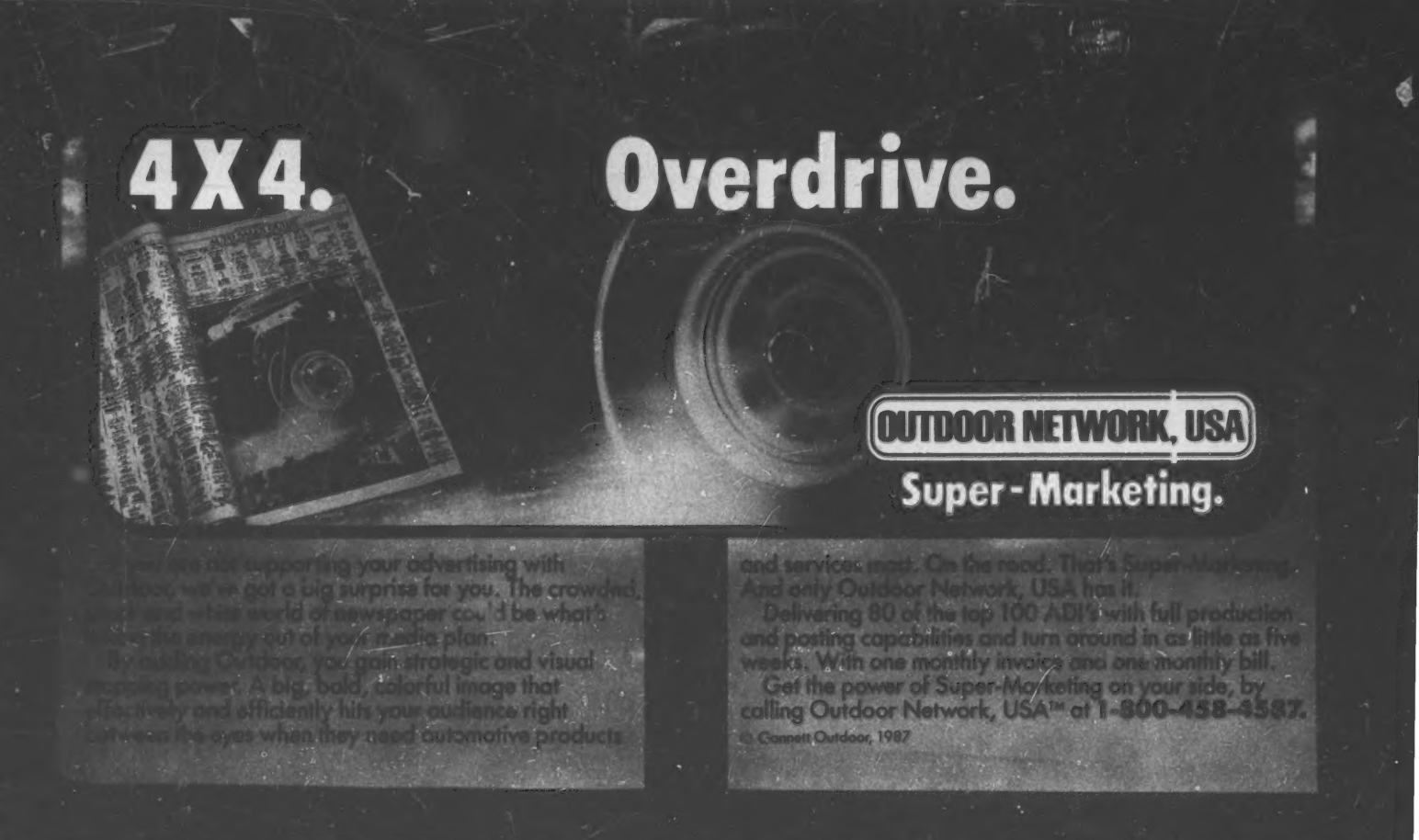
Kathryn Newton, public relations supervisor for General Mills, explains that 26-year-old Total, which has always marketed itself as 100% vitamin fortified, is picking up on yet another health trend, the craze for calcium, by adding the element to the cereal, which appears in whole wheat and corn flake forms. Total allegedly supplies one-fifth of the daily calcium requirement, and, with milk, the percentage rises to 35%. Total is pitched, but not strictly limited. to those over 55 years old, who have a "stronger interest in health."

General Mills says it found the public was concerned about osteoporosis, a condition supposedly linked to calcium deficiency by which bones become brittle. Dr. Klurfeld of the Wistar Institute says the osteoporosis issue has become controversial of late because the data was developed from a single laboratory. However, he admits that Total serves a "useful purpose for some people, but it doesn't replace a well-balanced diet."

Fiber One was introduced in April 1985 following consumer requests for more fibrous products, Newton says. The cereal also carries National Cancer Institute information, including a "Back to Fiber" quiz on the back of the box. Last fall, the cereal featured sweepstakes for airline tickets, diamond necklaces, golf clubs, tennis rackets and furniture.

Total, in conjunction with Rockport shoes and the National Fitness Foundation, is sponsoring a fitness walking promotion and also peddling a book on fitness walking.

DFS Dorland is in charge of both Total and Fiber One. According to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nine-month figures from LNA, Total had diversified ad expenditures of almost $10 million that included usage of network, spot and cable tv, magazines and network radio, while Fiber One mostly used network tv, with about $3.7 million spent in advertising. Both cereals are advertised in *Reader's Digest* and *Modern Maturity*. Fiber One can be seen advertised during daytime game shows because studies have shown that the over-55 crowd will watch those before soap operas.

Nature Valley, a popular granola cereal in the mid- to late 1970's, will be brought back this year as **Nature Valley 100% Natural**. Newton says that as a granola cereal, Nature Valley "does really well" in the Midwest and Northwest. The new Nature Valley will be lighter and crispier with nuts and fruits, and will continue to be low in sodium, Newton says. Asked what had happened to Nature Valley, Newton replies, "The cereal category is so competitive with new products that people start using a new cereal and don't go back to the old one." Ad plans weren't in place at press time.

Announcing a major breakthrough in breakfast cereal.
FRUIT WHEATS
FRUIT WHEATS
FRUIT WHEATS
New Nabisco Fruit Wheats. Real fruit in every bite.

Nabisco stresses its "wholesome" image in its advertising.

NABISCO

Nabisco Shredded Wheat went to the head of *Consumer Reports*' ready-to-eat cereals class. The report rates them for having lots of fiber and protein, very little sodium or fat and no sugar.

All of the Nabisco cereals are "technically adult cereals," reports Caroline Fee, manager of public relations for the company, which was acquired by R.J. Reynolds Industries Inc. in 1985. The cereals include **Nabisco 100% Bran, Fruit Wheats, Team Flakes** and **Nabisco Shredded Wheat** and its varieties of **Nabisco Toasted Wheat & Raisin, Spoon Size Shredded Wheat** and **Shredded Wheat 'n Bran.**

FCB/Leber Katz took over the cereals' ad accounts from Doyle Dane Bernbach in June. Fee explains that RJR Nabisco realigned the agencies as part of an overall plan to strengthen the business relationships with the agencies already on its roster.

The Nabisco cereals are pitched to the "health-conscious adult user," says Fee. "We continue to stress the strong heritage we have with Shredded Wheat because it's a w[illegible]ome, natural, high quality product."

Through its advertising, Nabisco "continues to take the nutritional story to the consumer," Fee explains. "It's been very effective for us, especially because it has no added sugar or salt. The age group hasn't changed, but the market has expanded as more and more people become health conscious."

Promotions this year included a point-of-sale, joint promotion that ran February through March with Del Monte Corp., which was acquired by Reynolds last year. Del Monte's bananas were decorated with one of the lines, "Try me on . . .," or "I'm great on . . .," and then the name of a cereal such as Shredded Wheat, 100% Bran or Shredded Wheat 'n Bran. Nabisco 100% Bran cereal has a 20-cents-off coupon and a recipe contest with a $10,000 cash prize. There are also Spoon Size Shredded Wheat recipe booklets, unsalted snacking recipe promotions and a recipe on the back panel for an Italian snack mix.

Ads have appeared in *Family Circle, Good Housekeeping* and *Health*. Nabisco also runs 30-second spots on *General Hospital, Dynasty, The Cosby Show* and *Kate & Allie*, as well as free-standing inserts in newspapers.

Nine-month figures from LNA report that Nabisco spent $9.3 million on advertising, $8 million of which was on network tv with descending amounts on spot and cable tv and magazines. About $6.2 million was spent

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on Shredded Wheat n' Bran, according to LNA, most of which was in network tv. Nabisco 100% Bran's $552,000 in nine-month expenditures was entirely in magazines, says LNA.

QUAKER OATS

While tv is king among advertising media for most adult cereals, Quaker Oats uses only print to get its more focused message across for its **Puffed Wheat, Puffed Rice** and **Quaker Corn Bran** cereals.

Because Puffed Rice and Puffed Wheat have 50 calories a serving, ads appear in *Weight Watchers* magazine, *Reader's Digest, Woman's Day* and *Working Woman*. The cereals picked up Geers Gross Advertising and dropped BBDO last summer because of Omnicom merger conflicts.

Quaker Corn Bran, another member of the high-fiber cereal category, runs ads with comparative claims in terms of grams of fiber and taste compared with wheat bran cereals. The cereal, which is targeted at consumers age 30 and older, is handled by the now independent BV&F, which was formerly the Backer & Spielvogel Chicago office and had been handling Corn Bran's account. Magazine ads for Corn Bran have run in *Mature Outlook, 50 Plus, Health, Reader's Digest, Saturday Evening Post, McCall's* and *Good Housekeeping*.

Quaker's Corn Bran is confined mostly to magazine ads.

Dr. Klurfeld of the Wistar Institute warns that corn bran may have more fiber than wheat bran, but in most animal studies, wheat bran protects against colon cancer while corn bran may increase chances. According to *Consumer Reports*, Quaker Corn Bran is high in sodium.

Ron Bottrell, senior manager, corporate communications, explains why ads are limited for Puffed Rice, Puffed Wheat and Corn Bran. "You won't see any tv for those [Puffed Wheat and Rice, Corn Bran]. They are not the best selling cereals. Their market share is to appeal to a narrower group of individuals with much more targeted and focused advertising than tv."

100% Natural adopted Jordan, Manning, Case, Taylor & McGrath in August from BBDO following its Omnicom merger. Bottrell notes the cereal has used tv in the recent past, focusing on the ingredients for a "symphony of flavor." The cereal has been advertised on the morning network news shows and evening network news shows on a spot market basis, *The Late Show, The Tonight Show* and *Nightline*.

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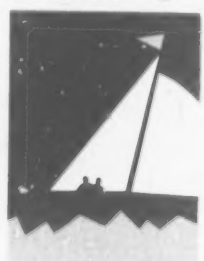

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Life Cereals also use Jordan, Manning, and the popular "Mikey" character, now all grown up, is back on the box, charming the public as a young adult. Special adult-oriented promotions include photo trivia cards with the theme "*Life* Magazine Remembers." Life is also being promoted with a "Rock Music Mystery" with free records, classic rock-and-roll cassette tapes and Pioneer audio-video home entertainment center giveaways.

Kretschmer cereals and Sun Country were acquired from International Multifoods Corp. recently. Bottrell notes that the wheat germ and granola-based cereals formerly hadn't been advertised heavily, but Quaker "will market them more aggressively." Nine-month figures from LNA show that Kretschmer cereals had expenditures of $1.1 million, most of which was in spot tv.

Ad expenditures at Quaker are escalating, although Bottrell won't reveal how much. LNA reports low figures for the nine months, such as $2.1 million in spot tv advertising for **Quaker 100% Natural**; $604,000 in magazine advertising for Quaker Corn Bran; and $657,500 for Puffed Rice and Wheat in magazine advertising.

Another adult cereal, **Quaker Oat Squares**, square biscuits principally made of oat flour, is being tested. Jordan, Manning is orchestrating the campaign, its first for a new product at Quaker. The theme is "Honest taste from an honest face."

RALSTON PURINA

Bran Chex is bigger and better than ever, with a "great new taste" and 20% more cereal per box amounting to three free servings, according to Ralston Purina.

Last month, the new "lighter and crispier" Bran Chex hit the grocery stores with a new taste to better compete in the overflowing bran cereal market. Sandy Harrington, manager of marketing public relations, says that Bran Chex, the only "adult" cereal of the six versions of Chex cramming the shelves, ranks fifth in high-fiber content among more than 20 competitors. The debut was supported by spot tv ads and a healthy dose of free-standing inserts with coupons in Sunday newspaper supplements nationwide. Bran Chex hadn't been advertised independently from the other Chex cereals since its introduction. Wells, Rich, Greene is the ad agency. Ad expenditures weren't revealed.

Bran Chex is thundering about how much bigger and better it is.

Consumer Reports notes in its October issue that Bran Chex is one of the highest in fiber but also one of the highest in sodium. Harrington says the sodium content hasn't changed.

Harrington notes that all other Chex cereals and other Ralston brands such as **Almond Delite** and **Sun Flakes** fall within the family cereal category.

Bran Chex also has been sponsoring the "Healthy Heart Sweepstakes" where 200 consumers may win a free annual physical exam for the next 10 years. The cereal, like the other Rice Chex, Wheat Chex, Corn Chex, Double Chex and the new Honey Gram Chex, offers recipe books. A recipe calendar also has been offered from the Chex cereals for some 10 years.

Harrington notes that "80% of brand choices are actually made in the cereal aisle." Grocery lists usually only have the word "cereal" as a purchase to be made without a brand specified.

"You need a refund offer, or whatever, to make the box stand out," Harrington advises. "It used to be the woman with 1.25 children doing the shopping. Now it's the teenger with both parents working, or senior citizens, or the man in the family. If you don't do couponing, you should do anything that you can to make the package stand out." ■

Second Annual Regional

Creative Media Awards

Winners of The Second Annual Regional Creative Media Awards will be announced and honored at an Awards dinner on Wednesday, June 17 in Los Angeles. The event is held in conjunction with Marketing & Media Week.

The growing complexity and importance of media have pushed the media department into a higher profile with today's advertising agency and client. Regional Creative Media Awards are designed to recognize this growing importance.

Anyone from 11 Western regional states including Alaska and Hawaii may enter. Submit entries not older than January 1984 with supporting rationale for the selected media and strategy. If entries are submitted for more than one category, include duplicate entry forms and separate complete copies of your entry for each category. Fee per entry, $15. Entries will be judged on:

1. Clear concise explanation of the innovative concept.
2. Tactical approach.
3. Effectiveness relative to objective.

Awards given for these categories:

1. **Most Creative Overall Media Plan**

Most creative tactical use of:

2. **National Television, including syndication & cable**
3. **Local Television**
4. **National Radio**
5. **Local Radio**
6. **Consumer Magazines**
7. **Business Publications**
8. **Newspapers, including Sunday supps & FSI's**
9. **Out-of-Home**
10. **Yellow pages**

Deadline for entry: Wed., May 13
Please send entries to:
Marketing & Media Education
902 Broadway, NY 10010-6003
(212) 505-8350

ENTRY FORM

Category number entered _____

Key Person(s) to be awarded:
Name Company

_____

_____

Entry submitted by _____

Address _____

_____

Phone number (____) _____

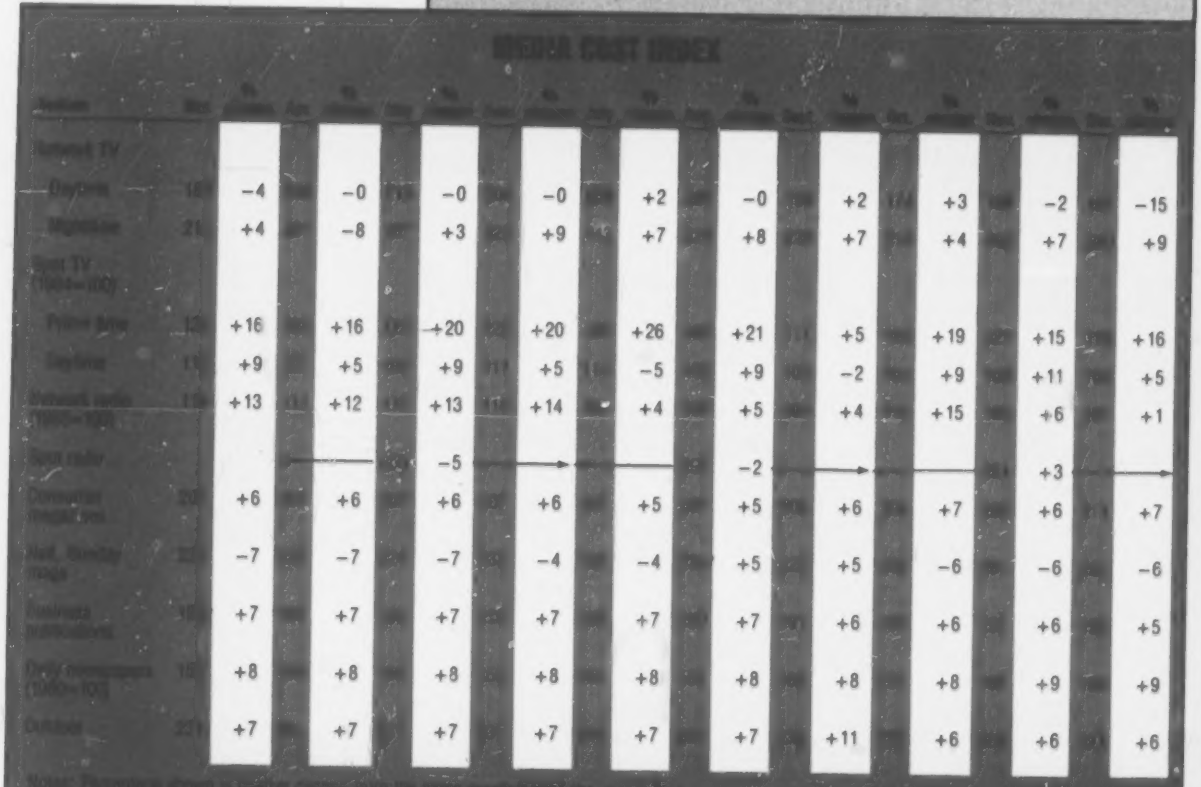
ECONOMIC EYE

PAPERS PREDICT A 7% AD DOLLAR GAIN

Craig Standen, president of the Newspaper Advertising Bureau, sees his medium gaining 7% in ad investments in 1987. The breakdown: national business, up 5%; retail, up 7%; and classified up 8%. National and retail figures are stronger than in 1986; classified is weaker.

MAGAZINE AD SCORECARD	Ad Pages Feb. 1987	% change from Feb. 1986	Dollars spent (000)	% change from Feb. 1986
1. Skin care, Creams, Lotions and Oils	185.38	+16.8 %	$ 6,205.0	+39.47%
2. Lip and Eye Beauty Products	72.58	+73.98	2,474.0	+80.31
3. Scents and Fragrances	93.73	-12.39	2,085.3	-11.41
4. Facial Makeup Products	78.75	+81.10	2,808.0	+74.32
5. Prepared Dinners and Entrees (Including Pizza)	57.64	-3.63	2,898.3	+3.96
6. Liquor	221.94	-29.74	8,704.2	-31.03
7. Cigarettes	585.34	+18.58	2,988.0	+25.0
8. Soaps and Detergents	22.26	-43.69	1,395.0	-43.93
9. Passenger Cars, Domestic	368.02	-11.90	20,025.2	+7.10
10. Passenger Cars, Imported	400.90	+33.03	18,916.0	+26.71

Source: Publishers Information Bureau as prepared by Leading National Advertisers



Sources:

Nighttime Network TV — Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV — Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio — Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

POINT/COUNTERPOINT/

THE GREAT BARTER DEBATE

BARTER ARDOR COOLS DOWN

Just a few short years ago, barter syndication was being touted as one of the hottest developments in the world of media. Agencies and their advertisers began to make significant national buys in the growing number of relatively low-cost, "targeted" barter shows. Today, this interest continues to be strong, but media buyers now realize that there is another, less attractive, side to the barter syndication picture.

For one thing, barter programs are usually not as compelling as network shows. There are exceptions (e.g., *Oprah Winfrey, At the Movies, Jacques Cousteau*), but the fact remains that most of the highest-rated barter syndication programs are either game shows, professional wrestling or reenactments of court cases. Even more to the point are the infamous barter "specials," which featured Geraldo Rivera opening Al Capone's empty vault and participating in questionable drug busts. Is it any wonder that the audience demographics for most barter programs are decidedly more downscale than those for network or cable?

Then there is the issue of audience delivery. Most barter is sold with inflated guarantees to insure that the supplier receives maximum value for the rating points actually delivered. It is a rare occurrence when a barter show overdelivers. More common is the need to negotiate for makegoods in other programing that may not have the right audience appeal or program environment. Sometimes, underdelivery triggers a cash-back situation, which means media plan rating point goals are not achieved.

To make matters worse, rating services still take an inordinate amount of time to prepare accurate rating data for many barter shows. Hopefully, people meters will help here, if and when all parties agree on a workable system.

Another problem regarding barter is the need for buyers to exercise great caution when dealing with certain syndication companies. These are usually small firms, established by an entrepreneur who has promised to do wonderful things for the creator of a program. The common result is poor administrative work, terrible clearances and, sometimes, no show at all. Such problems crop up with larger syndication firms as well, although such instances are becoming increasingly rare.

Still quite common, however, is the wide variation of market-by-market rating performance for most barter programs. Typically, a barter show's local numbers will differ by more than 50% from its national average because of the variety of time periods cleared and the quality of stations carrying the program. This makes it difficult to fulfill national media plan requirements with syndicated programing.

When using syndication to help generate awareness for a brand or product, the fact that few barter shows clear more than 85% of the nation must be considered. At the same time, the impact of relatively high commercial loads, which are typical of syndicated fare, should also be factored into the buying equation.

All of these issues need to be considered when deciding whether or not to place national advertising dollars into barter programs. If they do not negatively impact overall marketing and media objectives, then advantage can be taken of barter syndication's highly desirable ability to reach specific target audiences at relatively low cost.

Thomas H. Winner has recently been appointed a senior vice president/media director of William Esty Company, New York.

OUR READERS TELL US . . .

Has the barter boom gone bust? Research USA, Chicago, asked readers to state their intentions toward this media option. Here's what our sample had to say. (Base = 74).

1. Are you buying more or less barter programing this year compared to 1986?

More	28.4%
Less	28.4%
Same	43.2%

If "less" what is principal reason why? (Base = 21)

Poor programing	52.3%
Need higher clearances	19.0%
Better prices in network	4.8%
Better prices in national spots	9.5%
Too much commercial clutter	9.5%
Other	28.6%

(Over 100% because of multiple answers.)

2. How much of your ad budget will go into barter in 1987?

Less than 5%	67.5%
5% - 9%	17.6%
10% - 14%	6.8%
15% - 24%	5.4%
25% or more	2.7%

How much of a percentage change is this from last year?

POLL

SYNDICATORS SAY THE HEAT GOES ON

Advertiser-supported (or barter) syndication remains the fastest growing area in television today. It has grown from a $50 million business in 1976 to an estimated $650 million in 1986, a thirteen-fold increase. Many experts predict that barter syndication will exceed $1 billion annually by 1990.

Why? Simple. Syndication has provided major benefits to advertisers, television stations and producers.

Advertisers have been able to purchase first-run, network-quality (better, in some cases) programing at significant cost efficiency advantages. Even more importantly, advertisers have utilized syndication as a hedge against inflationary network pricing and it is, in large part, responsible for the stabilization of network price increases over the last several years. Syndication has clearly helped advertisers get more from the networks where the majority of national television dollars are spent.

Syndication has been able to extend reach potential by recapturing lost network shares. Over the last nine years, network shares have declined dramatically. And syndication also overdelivers A and B counties to help balance the C and D county skew found on the networks.

At LBS we refer to the term "targetcasting" for our programs. We deliver that hard to reach, younger audience that is so difficult and expensive to reach on the networks and in significant quantities far superior to the low-rated "narrowcasting" that basic cable delivers to advertisers.

Independent television stations, meanwhile, have utilized advertiser-supported syndication to help defray the cost of very expensive off-network programing, such as *Cosby* and *M*A*S*H*. In addition to barter, affiliates have discovered a bonanza with cash/barter syndication in prime access, which in many markets delivers a higher number than prime time. More importantly, barter has made available a vast number of first-run options for independent and affiliated stations that otherwise would not have been available.

Finally, producers think syndication is great! How come? When a network orders a new program, it is rarely for more than six to nine episodes at a time. If the ratings are poor, the show is cancelled quickly. Syndicators will order a whole season of new episodes upfront and the producers will also have full creative control, a luxury not available on the networks.

Critics of syndication say there are drawbacks. Sure, there are some. However, the consensus is overwhelming that syndication has been a very positive force in the evolution of the television industry. You can bet it will continue to put the heat on network.

Michael Weiden is executive vice president, director of advertising sales, LBS Communications, Inc.

A drop of 10% or more	14.9%
A drop of less than 10%	5.4%
An increase of 10% or more	10.8%
An increase of less than 10%	17.6%
No change	51.3%

3. At the recent National Association of Television Program Executives conference, tv stations bought very little new product. Does this lessen your overall interest in barter?

Yes	23.0%
No	77.0%

4. Are you bothered by the increase of commercial units in barter programs — 25% more than network tv?

Yes	85.1%
No	14.9%

5. Has the rash of Chapter 11's filed by independent tv stations made you in any way less interested in barter syndication?

Yes	28.4%
No	71.6%

6. Will the people-meter controversy slow down the process of buying barter syndication this spring?

Yes	35.1%
No	59.5%
No answer	5.4%

7. Will the people-meter controversy cause you to buy syndication after network tv?

Yes	21.6%
No	74.3%
No answer	4.1%

8. Given all of the above factors, how much of a CPM increase do you expect to pay in barter (based on people-meter numbers)?

None	44.5%
Less than 5%	33.8%
5% - 9%	12.2%
10% or more	5.4%
No answer	4.1%